

05 OCT 13 10:34

TOWN OF JENA
JENA, LOUISIANA
AGREED UPON PROCEDURES
AS OF AUGUST 31, 2005

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 10/19/05



PAYNE, MOORE & HERRINGTON, LLP

CERTIFIED PUBLIC ACCOUNTANTS



PAYNE, MOORE & HERRINGTON, LLP

CERTIFIED PUBLIC ACCOUNTANTS

Established 1945

INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

The Honorable Norman Welch, Mayor
and Members of the Town Council
Town of Jena
P.O. Box 26
Jena, LA 71342

We have performed the procedures enumerated below, which were agreed to by you, solely to assist you with respect reviewing cash positions, utility accounts receivable, accounts payable and current budget comparisons of revenue and expense accounts as of August 31, 2005. The Town's management is responsible for the Town's accounting records relating to these items. This agreed upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of management of the Town of Jena, Louisiana. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purposes.

Our procedures and findings are as follows:

1. **Procedure:** Determine if bank accounts and certificates of deposit for all funds reconcile to the bank statements and general ledger accounts as of August 31, 2005 and review client prepared bank reconciliations.

Findings: Management provided copies of bank reconciliations for bank accounts within all funds as of August 31, 2005. We agreed the bank reconciliations to the amounts reported in the general ledger accounts and found minor differences. See **Attachment A**. This workpaper provides a listing of all accounts open and the resulting comparison of reconciled bank statement balances to general ledger accounts. In most of the differences, the City Clerk advised that she has not made adjustments to the general ledger upon the advise of the previous auditing firm which suggested that all adjustments could be posted at year end. The only unusual reconciling item results from an audit adjustment which we were informed will be cleared during the next audit engagement.

MARVIN A. JUNEAU, C.P.A.

ROBERT L. LITTON, C.P.A.

MICHAEL A. JUNEAU, C.P.A.

H. FRED RANDOLPH, C.P.A.

ROBERT W. DYORAK, C.P.A.

JAMES N. BALLARD, C.P.A.

ERNEST F. SASSER, C.P.A.

REBECCA D. MORRIS, C.P.A.

L. PAUL NODD, C.P.A.



1419 METRO DRIVE • P.O. BOX 13200 • ALEXANDRIA, LA 71315-3200

PH: (318) 443-1893 • FAX: (318) 443-2515 • WWW.PMHCPA.COM



PAYNE, MOORE & HERRINGTON, LLP

The Honorable Norman Welch, Mayor
and Members of the Town Council
October 12, 2005
Page 2

2. **Procedure:** Confirm with banking institutions the balance on deposit in bank accounts and certificates of deposit as of August 31, 2005.

Findings: All amounts on deposit in bank accounts and certificates of deposit were confirmed with the banking institutions as of August 31, 2005 by use of our standard form mailed directly to the banking institutions and returned to our firm. No differences from the copies provided by management were noted, and the institutions did not confirm any additional bank accounts not recorded on the accounting records of the Town.

3. **Procedure:** Review client prepared document of utility system fund aging report of accounts receivable for unusual account balances at August 31, 2005.

Findings: Management furnished a "*Customer Balance Report*" as of the end of August that reflects an aging of account balances. Accounts balances over 90 days old total \$18,725.04. A review of individual accounts and discussion with personnel indicates at least two reasons for the large number of accounts with balances in excess of 90 days:

- 1) Under the former mayor, a decision was made by management to establish the cut off of delinquent accounts to a sixty-day period. Currently management has reversed this decision and returned to the former thirty-day period.
- 2) No direct write off of uncollectible accounts in the subsidiary ledger has been made by management or the current auditing firm during years 2003 and 2004. An allowance for doubtful accounts was recorded in the books and totals \$3,345 at December 31, 2004.

4. **Procedure:** Review client prepared document of accounts payable for all funds for abnormal payables at August 31, 2005.

Findings: Management provided an accounts payable check register for the period ending September 16, 2005, totaling \$63,850.60. No unusual amounts were noted in then listing. However, management indicated that the payables were greater than normal due to two reasons; 1) The payable clerk was out on leave due to a personal injury and was unable to process checks for payables around the 10th of the month, and 2) garbage bags were purchased at a quantity greater than normal due to a favorable price obtained.

The payable clerk stated that no accounts payable invoices were being held due to disputes and that currently all outstanding invoices were paid and/or were in line for payment.



PAYNE, MOORE & HERRINGTON, LLP

The Honorable Norman Welch, Mayor
and Members of the Town Council
October 12, 2005
Page 3

5. **Procedure:** Review client prepared document printout of trail balance of all funds and budget comparison for revenue and expense accounts as of and for the period ending August 31, 2005 for out of the ordinary relationships.

Findings: We reviewed the trial balances and budget comparisons for revenue and expense as provided by management. All "out of the ordinary" relationships were reviewed with the Town Clerk and were adequately explained or corrected by adjusting journal entries.

6. **Procedure:** Review and compare analytically client prepared document printout of income and expense accounts for all funds for the eight-month periods ending August 31, 2004 and August 31, 2005.

Findings: No comments noted for management's consideration.

7. **Procedure:** Determine if interfund receivable and interfund payable accounts and interfund transfer accounts reconcile with corresponding funds as of August 31, 2005.

Findings: We assisted management in developing a worksheet to compare interfund receivable and payable and interfund transfer amounts as of August 31, 2005. Several accounts were not in agreement with the corresponding funds. The Town Clerk analyzed the applicable accounts and prepared the necessary adjusting entities to correct the accounts balances.

We were not engaged to, and did not, conduct an audit, the objective of which would be the expression of an opinion on the accounting records relating to cash positions, utility accounts receivable, accounts payable and current budget comparisons of revenue and expense accounts as of August 31, 2005. Accordingly, we do express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.



PAYNE, MOORE & HERRINGTON, LLP

The Honorable Norman Welch, Mayor
and Members of the Town Council
October 12, 2005
Page 4

This report is intended solely for the information and use of the management of the Town of Jena, Louisiana, and it is not intended to be and should not be used by anyone other than the specified party. However, it is our understanding that under Louisiana Revised Statute 21:513, this report is in fact a public document.

Payne, Moore & Herrington, LLP
Payne, Moore & Herrington, LLP

October 12, 2005

**TOWN OF JENA
BANK ACCOUNTS AND
CERTIFICATES OF DEPOSIT
AS OF AUGUST 31, 2005**

Attachment A

<u>Bank Account Number</u>	<u>Account Title</u>	<u>Balance per Bank Statement as of 8/31/2005</u>	<u>Adjusted Balance after deposits in transit and outstanding checks 8/31/2005</u>	<u>Town of Jena General Ledger Book Balance 8/31/2005</u>	<u>Difference</u>
<u>Southern Heritage Bank</u>					
1000241	GENERAL FUND	\$ 29,184.09	\$ 28,568.80	\$ 28,569.43	\$ (0.63)
1525719	ACCOUNTS PAYABLE FUND	2,569.01	919.64	278.09	641.55
1522973	TAXES PAID UNDER PROTEST	507.30	507.30	507.30	-
1524836	FIRE IMPROVEMENT SINKING FUND	21,315.52	21,315.52	21,315.52	-
1519093	PAYROLL ACCOUNT	28,066.05	25,086.63	25,086.63	-
1519514	SEWER REVENUE SINKING FUND	80,930.98	80,930.98	80,930.98	-
1519530	SEWER REVENUE CONTINGENCY FUND	157,228.08	157,228.08	157,228.08	-
1519522	SEWER REVENUE RESERVE FUND	2,076.93	2,076.93	2,076.93	-
1519476	SALES TAX FUND	401,854.03	401,854.03	401,854.10	(0.07)
<u>Concordia Bank & Trust</u>					
09-0401-5	GENERAL FUND - Occupational License	1,000.55	1,000.55	1,000.55	-
09-0402-3	SALES TAX FUND	28,622.40	28,622.40	28,300.30	322.10
<u>Bank of Jena</u>					
100536	Gas Utility System Fund	74,060.66	85,724.48	85,840.97	(116.49)
1000357	Utility Meter Deposit Fund	127,523.53	127,523.53	125,344.17	2,179.36
	Total Bank Accounts	954,939.13	961,358.87	958,333.05	3,025.82
<u>CERTIFICATE OF DEPOSIT NUMBER</u>					
<u>Southern Heritage Bank</u>					
6045733	SALES TAX	165,168.00	165,168.00		
6045732	SALES TAX	136,278.90	136,278.90		
6045982	TOWN OF JENA	104,918.28	104,918.28		
6046012	TOWN OF JENA	94,370.29	94,370.29		
6046213	TOWN OF JENA	264,707.01	264,707.01		
6045657	TOWN OF JENA	179,914.77	179,914.77		
	Total Certificates of Deposit	945,357.25	945,357.25		
Certificates of deposit reported in:					
	Utility System Fund			629,838.25	
	Sales Tax Fund			312,898.23	
	Total Certificates of Deposit	945,357.25	945,357.25	942,736.48	2,620.77
TOTAL CASH ON DEPOSIT AND CERTIFICATES OF DEPOSIT					
		\$ 1,900,296.38	\$ 1,906,716.12	\$ 1,901,069.53	\$ 5,646.59